



RAJ

packaging industries ltd.



BOARD OF DIRECTORS

Shri U.C. Bhandari

Shri Ramesh Chandra Singhi

Shri Rajendra Kankaria

Shri Prem Kankaria
Managing Director

REGISTERED OFFICE

6-3-1090/C-4, Opp: Kapadia Lane
Raj Bhavan Road, Hyderabad - 500 082.
Andhra Pradesh, India.

WORKS

Survey No. 715, Kondamadugu, Bibinagar
Dist. Nalgonda, Andhra Pradesh, India.

BANKERS

State Bank of India
Saifabad Branch, Hyderabad
Andhra Pradesh, India.

AUDITORS

S. Singhvi & Co.
Chartered Accountants
Hyderabad, Andhra Pradesh, India.

SHARE TRANSFER DEPARTMENT

6-3-1090/C-4, Opp: Kapadia Lane
Raj Bhavan Road, Hyderabad - 500 082.
Andhra Pradesh, India.

You can E-mail us at: rajpack@hd2.vsnl.net.in



NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Sixteenth Annual General Meeting of the Members of RAJ PACKAGING INDUSTRIES LIMITED will be held at Hotel Aditya Deluxe, 1-7-206, S.D. Road, Secunderabad on Saturday the 27th day of September, 2003 at 11.30 a. m to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt the Balance Sheet as at 31st March, 2003, Profit & Loss Account for the year ended on that date and the Reports of the Auditors' and Directors' there-on.
2. To declare dividend on Equity Share.
3. To appoint a Director in place of Shri. Ramesh Chandra Singhi, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint Auditors and fix their remuneration.

SPECIAL BUSINESS:

5. To consider and if thought fit, to pass with or without modification, the following as a SPECIAL RESOLUTION:

"RESOLVED THAT pursuant to the provisions of Section 31 and other applicable provisions, if any, of the Companies Act, 1956, the existing Article 4 of the Article of association of the Company be and is hereby deleted and in its place, the following Article will be substituted.

4(1) The Company may by special resolution, purchase its own shares or other Securities (hereinafter referred to as "Buy Back") in the manner and according to the provisions contained in Section 77A, 77AA and 77B of the Act.

(2) However, if a proposal for buyback of its own shares does not exceed the percentage as specified under the proviso to clause (b) of Section 77A of the Act the Board can exercise such power without referring the matter to the shareholders subject to other conditions stipulated, from time to time, under aforesaid sections.

6. To consider and if thought fit, to pass with or without modification, the following as a SPECIAL RESOLUTION:

"RESOLVED THAT the Equity Shares of the Company be delisted from The Bangalore Stock Exchange Limited in accordance with relevant Laws, Rules, Regulations and Guidelines (including any statutory modification/(s) or enactments thereof for the time being in force and as may be enacted hereinafter) and subject to such approvals, permissions and sanctions as may be necessary and in compliance with such conditions and modifications as may be necessary for this purpose."

"RESOLVED FURTHER THAT the Board of Directors of the Company (herein after referred to as "the Board" and shall be deemed to include any Committee thereof for the time being exercising the powers conferred by



the Board), be and is hereby authorized to seek voluntary delisting at such time, to take all necessary steps in this regard and to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary proper or desirable and to settle any question, difficulty or doubt that may arise in regard to delisting of the Equity Shares from the said Stock Exchange and to execute all such deeds, documents, writings as may be necessary, desirable or expedient or as may be deemed fit and for this purpose to delegate the authority and the duty vested in it by virtue hereof to any other person whom the board may consider suitable, to do the various acts, deeds and things required to be done in this behalf'.

by Order of the Board of Directors

HYDERABAD
30th June, 2003

Sd/-
PREM KANKARIA
MANAGING DIRECTOR

NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.

THE INSTRUMENT APPOINTING PROXY SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTYEIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.

2. The relative Explanatory Statement in respect of business under item No.5 set out in the notice is annexed hereto.
3. Members are requested to bring their copy of the Annual Report to the Meeting along with the attendance slip duly filled in for attending the meeting and sign at Registration counter at the venue of the meeting.
4. Members are requested to intimate to the Company at its registered office any change of Address quoting their Share Ledger Folio Number(s).
5. The Share Transfer Books and Register of Members will remain closed from 16th September, 2003 to 27th September, 2003 (both days inclusive).
6. No person other than Member/Duly registered proxy with the company with duly filled in attendance slip will be allowed to enter the venue of the meeting.
7. The dividend on Equity Shares as recommended by the Board of Directors, if declared at the meeting, will be payable to those shareholders whose names shall appear on the Company's Register of Members on 27th September, 2003. In respect of Shares held in electronic form, the dividend will be payable on the basis of beneficial ownership as per details furnished by National Securities Depository Limited and Central Depository Services (India) Limited as on 15th September, 2003 for this purpose.



8. Members holding shares in physical form and desirous of making a nomination in respect of their shareholding in the Company, as permitted under Section 109A of the Companies Act, 1956, are requested to submit to the Company in the prescribed Form 2B.

INFORMATION REQUIRED TO BE FURNISHED UNDER THE LISTING AGREEMENT:

As required under the listing agreement, the particulars of Directors who are proposed to be appointed / re-appointed are given below:

(i) Shri. Ramesh Chandra Singhi

Shri. Ramesh Chandra Singhi is a first generation entrepreneur with about 25 years of experience in Marketing and he started his career in the marketing of electrical goods in the year 1977 with M/s Ratan Electricals. He is associated with the company since inception as a promoter.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956 FOR ITEM NOS.5 & 6 OF THE ACCOMPANYING NOTICE DATED 30TH JUNE, 2003

ITEM NO.5

The Alteration of Article 4 is purely consequential to the introduction of Sections 77A, 77AA and 77B of the Companies Act, 1956, whereby the Company will be able to buy-back any of its shares and the said Alteration of Articles requires approval of members by way of a Special Resolution. As such the matter is included in the notice.

The Directors recommends this Resolution for approval. None of the Directors is concerned or interested in the resolution.

ITEM NO.6

Presently the Equity shares of the Company are listed on the Stock Exchanges at Mumbai, Hyderabad and Bangalore. Consequent to the technological developments, the shares of the company can be traded all over India through online terminals provided by The Stock Exchange, Mumbai (BSE) and as there is minuscule trading of company's shares on other Stock Exchanges, it is proposed, based on the Securities and Exchange Board of India (Delisting of Securities) Guidelines, to delist the company's shares from the Bangalore Stock Exchange. By this action, the Board feels that no inconvenience will be caused to those shareholders residing in that region, since online terminals are provided by BSE all over places. Listing of company's shares in many Stock Exchanges does not add any value to the shareholders, further it results in avoidable cost, administrative works, delay and inconvenience.

The Directors recommends this Resolution for approval. None of the Directors of the concerned or interested in the resolution.

by Order of the Board of Directors

HYDERABAD
30th June, 2003

Sd/-
PREM KANKARIA
MANAGING DIRECTOR



DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the 16th Annual Report and Audited Accounts of The Company for the year ended 31st March, 2003

FINANCIAL RESULTS

Your Company's performance during the year as compared to previous year is summarized below:

	2002-03	2001-02
Sales & Other Income	839.16	916.99
Operating Profit (PBIDT)	94.75	133.68
Interest	7.05	10.98
Profit before Depreciation and Taxes (PBDT)	87.70	122.70
Depreciation	27.96	27.43
Profit Before Tax	59.74	95.27
Provision for Tax		
- Current Tax	23.12	7.37
- Deferred Tax	(0.71)	28.20
Profit After Tax	37.33	59.70
Prior Period adjustments	--	1.66
Profit after Prior Period Adjustments	37.33	58.04
Balance Brought forward	57.50	79.16
Amount Available for appropriations	94.83	137.20

APPROPRIATIONS

Your Directors recommended appropriations as under :

Transfer to General Reserve	--	40.00
Proposed Dividend @ Rs 0.80 per share	31.76	39.70
Corporate Dividend Tax	4.07	--
Balance Carried forward	59.00	57.50
Total :	94.83	137.20

PERFORMANCE:

During the year under review, your company has achieved a Turnover at Rs.839.16 lakhs as compared to Rs. 916.99 lakhs in previous year in value and 968 M.T as compared to 990 M.T in volume. The Company's sales fell by 8.49 % in value terms and insignificantly in volume due to overall depressed prices of plastics. Main factors responsible for this were like overall slackness in the demand of packing material user industry particularly Oil Industry as a result of tough drought conditions existed during the entire period; resorting to loose oil sales by many of the customers and the imposition of Excise Duty (even though for a temporary period) in current year Finance Bill on Edible Oils in packed condition. However, the factor, which most affected the profitability of the company, is spiraling prices of plastics raw materials from December, 2002 to March, 2003 due to Iraq war. Owing to tough market condition it was



not possible to pass on total increase in prices on finished products resulted into lower profits in last quarter. However, the management is hopeful of recovery from all the above as these factors are temporary in nature and the present situation is favorable as the polymer prices are now stabilized.

Your management will continue their effort in developing various new structures of films, changing product mix and concentrating more in value added structure to maintain lead position in the market.

DIVIDENDS:

In view of continued good performance of the company the directors are pleased to recommend payment of dividend of Rs.0.80 per share (Rs.1.00 previous year) for the year 2002-03 which if approved by the shareholders at the forthcoming Annual General Meeting will be paid in accordance with rules applicable at that time.

FIXED DEPOSITS

During the year under review your company has not accepted any Deposits from Public / Members.

CAPITAL EXPENDITURE

The company has spent Rs. 12.28 Lakhs in purchasing some new machineries and some balancing equipment to increase productivity as well as quality at factory.

ENERGY, TECHNOLOGY & FOREIGN EXCHANGE

Information in accordance with the provisions of section 217(1) (e) of the Companies Act, 1956 read with Companies (Disclosures of particulars in the report of Board of Directors) Rules, 1988 regarding conservation of Energy, Technology absorption and Foreign Exchange earnings and outgo is given as Annexure-'A' forming part of this report.

AUDITORS REPORT

With reference to the observations made by the Auditors in their report, the notes forming part of Accounts are self explanatory and hence do not require any further clarification.

PARTICULARS OF EMPLOYEES

None of the employees is drawing remuneration in excess of the limits specified in section 217(2A) of the Companies Act, 1956.

DIRECTORS

In accordance with the Companies Act, 1956, and Clause 102 of the Articles of association of the company, Shri Ramesh Chandra Singhi, retire by rotation and being eligible, offers him-self for reappointment.

AUDITORS

The auditors of the company M/s. S.SINGHVI & Co., Chartered Accountants, Hyderabad retire at conclusion of this Annual General Meeting and being eligible, offer themselves for reappointment.



CORPORATE GOVERNANCE

Pursuant to Clause 49 of the Listing Agreements with Stock Exchanges, a Management Discussion and Analysis Report and a Report on Corporate Governance are given as Annexure 'B' and 'C' respectively, to this report.

DIRECTORS' RESPONSIBILITY STATEMENT:

As required under Section 217 of the companies Act, the Directors hereby confirm that:

- i) In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii) The directors have selected such accounting policies and applied them consistently and made judgment and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of financial year and of the profit of the company for that period;
- iii) The Directors have taken proper and sufficient care to the best of their knowledge and ability for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- iv) The Directors have prepared the annual accounts on a going concern basis.

ACKNOWLEDGEMENT

Your Directors wish to place on record their gratitude to all staff members for their contribution towards growth of the company and Banker viz. State Bank Of India for their support and also place on record their appreciation for the continuing support extended by the Shareholders.

For and on behalf of the Board

HYDERABAD
30th June, 2003

Sd/-
PREM KANKARIA
MANAGING DIRECTOR



ANNEXURE - 'A' TO DIRECTORS' REPORT

ANNEXURE - 'A'

Particulars required under the companies (disclosures of particulars in the report of Board of Directors) Rules, 1988.

A. Conservation of Energy

a. Energy Conservation measures taken

- i) Company has put capacitors at various points to regulate / maintain power factor.
- ii) Company has installed heat exchanger and chilling plant to provide chilled air at Cooling Ring for bubble cooling resulting in to increase in production thereby reducing power consumption per unit of production.

FORM - A

(Form for disclosure of particulars with respect to conservation of Energy)

A. Power & Fuel Consumption		2003	2002
1. Electricity			
a. Purchased			
Units	- KWH	469377	363343
Total Cost	- Rs.	1974443	1791892
Average Rate / Unit	- Rs.	4.20	4.93
b. Own Generation			
Through Diesel Generator			
Units	- KWH	299595	243000
Total Cost	- Rs.	2090409	1584869
Units per Unit of Fuel		2.91	3.17
Cost / Unit	- Rs.	6.98	6.52

B. Consumption of electricity Per Unit of Production i.e. for finished product

Electricity (KWH) per K.G of Finished Product.	0.79	0.62
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C. Research & Development.

- i) The Company has constantly changing input mix to produce superior product.
- ii) Changed equipments to optimize use of costly inputs whereby reducing cost of production and increasing profitability.

FORM - B

(Form of Disclosure of particulars with respect to Technology Absorption & Foreign Exchange Earnings & Outgo)

	2003	2002
Research & Development (R & D)	Nil	Nil
Technology absorption, adoption and innovation	Nil	Nil
Foreign Exchange Earnings	Nil	Nil
Foreign Exchange outgo (Rs. in Lakhs)	128.15	133.92



ANNEXURE - 'B'

MANAGEMENT DISCUSSION & ANALYSIS REPORT

Pursuant to Clause 49 of the listing Agreement, a Management Discussion & Analysis Report covering the performance & outlook of the product of the Company is given below:

(a) Industry Structure and Developments:

Your Company is engaged in manufacturing of flexible packaging material. Basically the Company is part of Larger Plastic Industry. Packaging Industry is typically depended not only on Plastic Industry but also on user Industry as its product is being used by several industries.

In India, packaging industry has been operating mainly as small-scale industry. Packaging industry is growing only horizontally in numbers. Much of growth has been in un-organized sector with inbuilt limitations.

As a matter of fact, in India, there are only four Companies, from the packaging sector, who have gone for public issue and their shares are listed in Stock exchanges. Thus industry has to go a long way.

(b) Opportunities and Threats:

Plastic Industry has shown reasonable growth particularly Packaging industry. In micro level growth of packaging industry depends upon growth of other end user industry. But as no product could move without packaging, this gives tremendous scope for growth. India predominantly being agriculture economy provides ample opportunities for packaging of food and agro-based items. A good monsoon gives tremendous boost to demand for all packaging material needed for packaging and preserving foods items.

As such there are ample opportunities for progress and growth in plastic packaging industry. As economy opens up and WTO agreement stipulates gradual reduction in custom duty there may be possibility of cheaper material coming into country. Opened economy provides opportunity as well as carries risk.

However, now Raw Material easily available, there is possibility of new players entering into this field. The threat to the industry will be from unhealthy practices by players in unorganized sector. The problem will be continuing if there is delay in implementing VAT.

(c) Product performance:

Overall slackness in the demand of packing material user industry particularly Oil Industry as a result of tough drought conditions existed during the entire period, resorting to loose oil sales by many of the customers, imposition of Excise Duty in current year finance bill on Edible